

# MEMORANDUM

*Department of Financial Services*

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**To:** Honorable Mayor and City Council  
**Through:** Tom Williams, City Manager  
**From:** Emma C. Karlen, Director of Financial Services *EV*  
**Subject:** City Council's Requests  
**Date:** May 8, 2007

In response to the City Council's inquiry during the budget work session on February 27 2007, staff has prepared the attached reports for the City Council's information. These reports are as follows:

- 1) A memo from the Human Resources Director that addresses alternative medical coverage for Milpitas employees and retirees.
- 2) A memo from the Police Chief that addresses the one-time and ongoing costs for Emergency Medical Dispatch services, zero tolerance for drugs, residential burglaries and auto burglaries.
- 3) A memo from the Information Services Director describing the funding needs for Emergency Response system capital costs in the next 10 years.
- 4) A memo from the Public Works Director/City Engineering listing all the unfunded project needs in the next five to eight years.
- 5) A memo from the Finance Director describing the business license tax formula currently used by the City of Milpitas.
- 6) A memo from the Parks and Recreation Director providing information on the customers survey conducted by Recreation regarding the alternative between higher cost for pre-school program or lower cost for daycare program and staff recommendation.

Please let me know if you need more information.

# MEMORANDUM

*Department of Human Resources*



**To:** Honorable Mayor and City Council  
**Through:** Thomas Williams, City Manager  
**From:** Carmen Valdez, Human Resources Director *W. Valdez*  
**Subject:** Alternative Medical Coverage for Milpitas Employees and Retirees  
**Date:** May 7, 2007

The City Council has requested staff to look into alternate medical coverage from our current coverage provided through CalPERS. Our Broker, Alliant Insurances was requested to provide bids for direct medical coverage with different healthcare providers.

Alliant Insurances conducted a demographic analysis, which shows the City's current distribution in medical plans offered through CalPERS. The breakdown of the analysis is as followed:

- 26.5% Retiree population
- 68.8% Kaiser population
- 7.7% Waiver population

There are three key components that the insurance carriers consider when looking at groups that want alternatives to CalPERS. The key components are:

- Maximum of 25% Retiree population
- Maximum of 50% Kaiser population
- Maximum of 20% Waiver population

At this time, the City's total population of benefit eligible employees includes 68.8% of employees who have Kaiser and 26.5% for retiree population. These are not desirable components in the insurance carrier market. As a result of the current medical demographic distribution, carriers would not agree to provide a quote to the City on a direct basis. Therefore, at this time there are no other alternatives besides contracting with CalPERS for medical coverage. Staff will analyze further options such as employee contribution or a total compensation package during the next round of negotiations.

## CENSUS DISTRIBUTION AND DEMOGRAPHIC ANALYSIS

TOTAL CENSUS		
	Count	%
Total Actives	382	66.7%
Total Retiree	152	26.5%
Total COBRA	0	0.0%
Total Waived	39	6.8%
<b>TOTAL</b>	<b>573</b>	

KAISER PENETRATION		
	Count	% of group total
Kaiser Actives	263	68.8%
Kaiser Ret <65	39	25.7%
Kaiser Ret >=65	38	25.0%

ACTIVES		
	Count	%
Participant	382	92.3%
Waived	32	7.7%
Under 65	407	98.3%
Age 65 or Older	7	1.7%

RETIREEES		
	Count	%
Under 65	82	14.3%
Over 65	44	7.7%
Over 65 (No Medicare)	26	4.5%

ADDITIONAL ANALYSIS INFORMATION					
	Active	Retiree	Opt Out	% Active	% Retiree
Average Age	42.9	62.7	0.0		
% Male	71.7%	#VALUE!	0.0%		
% Female	28.3%	#VALUE!	0.0%		
HMO Enrolled	89	19	23.3%	12.5%	
Kaiser Enrolled	263	76	68.8%	50.0%	
Low PPO Enrolled	27	32	7.1%	21.1%	
High PPO Enrolled	2	21	0.5%	13.8%	
PORAC PPO Enrolled	1	4	0.3%	2.6%	
<b>TOTAL</b>	<b>382</b>	<b>152</b>			

## CENSUS DISTRIBUTION AND DEMOGRAPHIC ANALYSIS

ACTIVE EMPLOYEES					
PLAN	SINGLE	2P	FAM	TOTAL	% of Total
Blue Shield	24	17	48	89	23.3%
Kaiser	56	66	141	263	68.8%
PERS Choice	5	8	14	27	7.1%
PERSCare	1	1	0	2	0.5%
PORAC	0	0	1	1	0.3%
TOTAL	86	92	204	382	100.0%

RETIREES WITH MEDICARE SUPP								
PLAN	SINGLE	2P	FAM	1(M) + 1(B)	1(M) + 2(B)	2(M) + 1(B)	TOTAL	% of Total
Blue Shield	0	0	0	0	0	0	0	0.0%
Kaiser	19	4	0	2	1	0	26	59.1%
PERS Choice	3	0	0	1	0	1	5	11.4%
PERSCare	9	3	0	0	0	0	12	27.3%
PORAC	0	0	0	1	0	0	1	2.3%
TOTAL	31	7	0	4	1	1	44	100.0%

EARLY RETIREES AND RETIREES 65+ NO MEDICARE					
PLAN	SINGLE	2P	FAM	TOTAL	% of Total
Blue Shield	8	7	3	19	17.6%
Kaiser	30	13	7	50	46.3%
PERS Choice	9	15	3	27	25.0%
PERSCare	9	0	0	9	8.3%
PORAC	0	3	0	3	2.8%
TOTAL	57	38	13	108	100.0%

# MEMORANDUM

*Office of Dennis Graham, Chief of Police*



**To:** Honorable Mayor and City Council  
**Through:** Tom Williams, City Manager *TW*  
**From:** Dennis Graham, Chief of Police *D. A.*  
**Subject:** Response to City Council Budget Work Session Inquiries  
**Date:** April 30, 2007

This memo is in response to the February 27, 2007 FY 2007-08 Budget Work Session, at which City Council members inquired about four matters pertaining to the police department.

## Emergency Medical Dispatch

During the discussion of the 911 User Fee proposal, Vice Mayor Livengood wanted more specifics on the costs of Emergency Medical Dispatch (EMD), including training, start-up and materials.

EMD is the program by which trained emergency medical dispatchers answering 911 emergency calls ask appropriate questions to send the appropriate resources and can provide the caller with verbal instructions while awaiting the arrival of emergency personnel. With the exception of Milpitas, all jurisdictions in our county currently provide EMD. Half of the jurisdictions contract EMD out to Santa Clara County Communications, and half train their own dispatchers to provide EMD. The City of Milpitas's current Memorandum of Understanding with the Milpitas Police Officers Association, which represents our dispatchers, has a clause that states: "In the event the City implements Emergency Medical Dispatching, the City and the M.P.O.A. agree to meet and confer concerning incentive pay for Dispatch personnel." Some of the jurisdictions that provide their own EMD gave pay raises ranging from 2.5% to 5% to their dispatchers at the time EMD was implemented, though it was not called EMD incentive pay. Even with those pay raises, dispatchers in all cities that provide their own EMD are currently paid at lower hourly rates than Milpitas dispatchers. Agencies contracting EMD out were satisfied with the level of service provided by Santa Clara County Communications. Departments that provided EMD using their own dispatchers noted that there was some impact on their organizations, in that 12 hours of annual training is required, and that supervisors must devote significant additional time to quality assurance.

For the first year, contracting EMD out to Santa Clara County Communications, at an estimated annual cost of \$33,300, would be far more cost effective than having Milpitas dispatchers provide this service. Contracting out means there would be no start up costs, in contrast with providing this service in-house, where the start-up cost would be a minimum of \$69,411, assuming no incentive pay; if incentive pay were provided to dispatchers, the first year's cost—which includes 24 hours of training for each dispatcher—would range from \$84,296 (1% incentive pay) to \$145,626 (5% incentive pay).

For subsequent annual costs after the first year, evaluating the cost of contracting out versus providing in-house EMD depends on whether incentive pay is provided to dispatchers. Contracting out the cost to Santa Clara County Communications would cost \$33,300 annually. Including annual training and maintenance of the system, providing EMD in-house would be \$18,487 annually in the second and subsequent years if no incentive pay was offered, or from \$33,372 (1% incentive pay) to \$94,702 (5% incentive pay) annually in the second and subsequent years if incentive pay was offered.

### **Zero Tolerance for Drugs**

Mayor Esteves asked that the City ensures that we have zero tolerance for drugs, and that we propose any needed program to address this issue.

The police department is committed to preventing and reducing the use of narcotics in Milpitas, and does so through both prevention education and enforcement.

Prevention education efforts include:

- DARE education for 5<sup>th</sup> graders in all public and private schools in Milpitas.
- Follow up DARE refresher course for all 8<sup>th</sup> graders.
- Police Science course taught at Milpitas High School includes a drug awareness segment.
- Youth academy for 13-17 year olds includes a drug awareness block.
- Drug awareness presentations to school teachers, counselors and other staff.
- Drug awareness presentation given at the City's Teen Center.
- Drug awareness presentations to parents, including special presentations for Spanish-speaking parents.

Enforcement efforts include:

- Vigorous enforcement of narcotics laws by officers and detectives. 418 narcotics arrests were made in 2005, 401 narcotics arrests made in 2006.
- Officers in Patrol carry out Community Oriented Policing (C.O.P.) projects to coordinate suppression of chronic narcotics activity at specific locations, such as hotels or residences.
- One department K-9 is trained as a drug-sniffing dog to locate narcotics during searches.
- The Special Investigations Unit, consisting of one Sergeant and two detectives, does follow up on all suspected narcotics activity that is beyond the scope of patrol.
- One detective is assigned to a county task force to participate in more complex cases with regional implications.
- Working through the Santa Clara County Police Chiefs' Association, we have asked the District Attorney to address the perception of a "revolving door" problem with drug law violators (possibly related to Proposition 36).

Currently, crime prevention and apprehension efforts directed by the police department against illegal narcotics activity are fairly comprehensive, especially as compared to most other agencies; however, we are developing a new process to help us more effectively identify and address narcotics activity at local residences: a page on the City's website that will allow citizens to anonymously report drug activity at Milpitas locations. Accompanying this reporting portal will be guidelines assisting the reporting citizen as to what information the police department needs to successfully investigate and suppress the activity.

### **Residential Burglaries**

Mayor Esteves asked that we examine whether there is the need for any new programs to address residential burglaries. In 2006, while crime overall was down in Milpitas, we saw a spike in residential burglaries, with 162 residential burglaries, compared to only 121 in 2005. Though this increase is of high concern to us, to put the issue in context, Palo Alto, a comparable-sized city with a slightly lower population than Milpitas, had 202 residential burglaries in 2006.

In 2007, the Milpitas Police Department has been successful in addressing this issue. In 2006 we averaged 13.5 burglaries a month, but through the first quarter of 2007 (January through March), burglaries have been reduced to less than 7 a month.

The police department has used several proactive methods to address residential burglaries, including:

- Community awareness and dissemination of information at Neighborhood Watch meetings, National Night Out block parties and other community meetings.
- Distribution of crime prevention information via the Neighborhood Watch email system and SCANUSA.
- As new residential developments are created, outreach by the police department's community relations unit to create new Neighborhood Watch programs.
- Proactive enforcement of truancy violations, especially in residential neighborhoods (we detained 80 truants in Milpitas in 2006, and 25 in the first quarter of 2007).
- Daily, weekly, and bi-weekly analysis of crime trends to identify problematic neighborhoods for enforcement and prevention.
- Coordinated C.O.P. projects targeting neighborhoods that have suffered disproportionate rates of residential burglaries.
- Dozens of probation and parole searches conducted in 2006 and 2007 of known property crime offenders, resulting in several arrests and the seizure of stolen property.
- Two detectives are dedicated to the investigation of residential burglaries, and aggressively follow up on all leads, as well as coordinating with other agencies (many burglary trends involve suspects who break into homes across several jurisdictions).

Police department staff identified an effective strategy involving the modification of city building codes to require higher standards of residential windows, doors, locks etc. This strategy would help reduce the frequency of residential burglaries over the long term as the city builds out. Three possible approaches are:

1. For new developments, specify within the building code higher security doors, windows, locks etc.

2. For existing homeowners seeking permits to renovate, create an ordinance requiring higher security doors, windows, locks etc.
3. For existing homes being offered for sale, create an ordinance requiring that the home meet all the new higher security standards at the point of sale.

The City can pursue one, two or all three of these ordinance approaches, but each would require City Council approval.

### **Auto Burglaries**

Mayor Esteves asked whether there were any new programs to address auto thefts. In 2006, auto thefts rose from 286 compared to 278 in 2005. Although this was a slight (2.9%) increase in auto thefts, the auto theft rate in Milpitas was much more stable than in other nearby cities, which saw significant increases in the number of auto thefts. The two cities that border Milpitas both saw substantially higher increases in 2006: San Jose (29.6%) and Fremont 10.6%). All other Santa Clara County cities for which statistics are available also saw higher increases than Milpitas in 2006: Palo Alto (8.5%), Gilroy (58.9%), Mountain View (23.6%), Sunnyvale (9.9%) and Santa Clara (9.9%).

We have taken a number of steps to address auto thefts, and, through the first quarter of 2007 (January through March), Milpitas averaged 20 auto thefts a month, while in 2006 Milpitas averaged almost 24 auto thefts a month.

The police department has used several proactive methods to address auto thefts, including:

- Crime prevention information disseminated through several community outreach methods, including the newspaper, Neighborhood Watch and SCANUSA.
- Obtained anti-theft steering wheel locking devices at no cost and distributed to Milpitas owners of car models at highest risk for theft.
- Disseminated an auto theft crime prevention pamphlet to victims and the public.
- Daily, weekly, and bi-weekly analysis of crime trends to identify problematic neighborhoods for enforcement and prevention.
- Coordinated C.O.P. projects for neighborhoods that have suffered disproportionate incidents of auto thefts.
- The Traffic Investigator conducts follow-up contact of parents of any Milpitas juvenile who steals a vehicle in Milpitas to emphasize parental supervision.
- Traffic Investigator coordinates with Santa Clara and Alameda county auto theft task forces on regional vehicle theft issues.

In April of 2007 the police department began utilizing a new program to address auto thefts. Using Homeland Security funding, we purchased four license plate reader devices. These devices have been deployed in two cars, and two stationary devices will soon be deployed. We have linked these devices to the state's stolen vehicle computer system, so that they will "read" reported stolen vehicles, allowing us to locate stolen cars and apprehend auto thieves. Within the first few weeks of deployment, we recovered several stolen cars and arrested several suspects. We believe that this will substantially assist us in addressing auto theft over the next several years.



# MEMORANDUM

*Department of Information Services*

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**To:** Honorable Mayor and City Council  
**Through:** Thomas Williams, City Manager  
**From:** Bill Marion, Information Services Director  
**Subject:** Equipment Replacement Funding  
**Date:** May 8, 2007

In response to the Council's request during the Budget Workshop, a ten year technology equipment replacement schedule has been developed that includes projected funding requirements for each year. Over the ten year period total requirements are approximately \$3.6 million. Using the remaining balances in existing technology CIP's, the recently approved 2.5% permitting automation fee, projected grants and existing technology replacement funds, the replacement schedule is funded through the 2009-10 fiscal year. Unfunded requirements beyond that point total approximately \$2.5 million and can potentially be met by future grant opportunities or through a 911 service fee. Staff recommends that equipment replacement proceed on the established schedule while attempting to locate additional funding to continue the replacement schedule beyond FY 2009-10. It is also recommended that technology equipment replacement funding be reviewed by Council as part of the annual budget process.

# **TRANSMITTAL M E M O**

***Engineering Division***

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**To:           Honorable Mayor and City Council**  
**Through:   Tom Williams, City Manager**  
**From:       Greg Armendariz, Public Works Director/City Engineer**  
**Subject:    Unfunded Needs for Capital Improvement Program**  
**Date:       May 8, 2007**

Attached for your review, is a list of unfunded Capital Improvement needs for the City of Milpitas. The list has been divided into the same CIP categories, and is also the same categories we have tracked these needs. The list has a "target year" for funding, if possible, however, this target year is based on the City's ability to fund the project at that time. Secondly, the project "need" is defined as follows and provides another basis for priority of the project:

1. Must have;
2. Should have and;
3. Nice to have.

In summary, the unfunded needs total \$275 million dollars.

## UNFUNDED PROJECT NEEDS

PROJECT	COST ESTIMATE	COMMENTS (target year)	Must Have	Should Have	Nice to Have	needs category
<b>Community Improvements</b>						
MSC Gymnasium Renovation						
Cracolice Building & Site Improvements	\$2,000,000	Interior and Exterior gym improvements (2010)	Y			
	\$5,000,000	reconstruction of bldg after Senior Center is relocated: (\$1.0 million available from KB); (2012)	Y			
PD/PW Building Improvements	\$2,000,000	(2013)	Y			
PW Corporation Yard and shop building improvements	\$2,000,000	(2014)		Y		Y
Community Center Replacement	\$35,000,000	includes performing arts theater (2015)				
Civic Center Parking Garage (required with CC replacement)	\$15,000,000	(2015)				Y
<b>Community Improvements Subtotal =</b>						
	\$61,000,000					
<b>Parks Improvements</b>						
Master Plan Improvements (26 parks)	\$78,000,000	avg. \$3 million per park (Master Plan will develop implementation schedule - next 20 years)	Y			
MSC Master Plan Improvements incl. Tennis courts	\$15,000,000	includes parking circulation improvements and tennis pro shop and tournament center.				
<b>Parks Subtotal =</b>						
	\$93,000,000					
<b>Streets Improvements</b>						
<b>Lighting</b>						
Lighting Improvements various locations	\$3,000,000	5 year plan (2010)	Y			
Overhead Utility Undergrounding (citywide)	\$20,000,000			Y		
<b>Landscaping</b>						
South Main Street Streetscape (Midtown)	\$10,000,000	(2010)	Y			
Serra Streetscape (Midtown)	\$5,000,000	(2012)	Y			
North Milpitas Blvd. Street landscaping and new median	\$5,000,000	Study included in 5th year of CIP		Y		
Park Victoria Blvd. Street landscaping		(2020)		Y		Y
Jacklin Blvd. Street landscaping (east of 680)	\$1,000,000	(2020)				
<b>Soundwalls</b>						

## UNFUNDED PROJECT NEEDS

PROJECT	COST ESTIMATE	COMMENTS (target year)	needs category		
			Must Have	Should Have	Nice to Have
<b>Street Pavement</b>					
Sunnyhills - 680	\$3,000,000 (2015-2020)				Y
North Park Victoria - 680	\$5,000,000 (2015-2020)				Y
Montague Expressway - Pines Neighborhood	\$2,000,000 (2015-2020)				Y
Heath St. - 1880	\$4,000,000 (2015-2020)				Y
<b>Street Pavement</b>					
Annual Street Resurfacing shortfall (5 years)	\$10,000,000 (2010)		Y		
Curb & Gutter replacement (citywide)	\$2,000,000 (2015)				Y
Sidewalk new and replacement (citywide)	\$2,000,000 (2015)				Y
<b>Streets Subtotal =</b>	<b>\$72,000,000</b>				
<b>Water Improvements</b>					
Replacement of aging water lines	\$10,000,000	schedule per FUMP study	Y		
Seismic Improvements	\$9,000,000	schedule per Seismic study	Y		
<b>Water Subtotal =</b>	<b>\$19,000,000</b>				
<b>Sewer Improvements</b>					
Recycled Water system extension to all parks	\$10,000,000	Allows potable water conservation for planned			Y
<b>Sewer Subtotal =</b>	<b>\$10,000,000</b>				
<b>Storm Improvements</b>					
Renovation of Existing Pump Stations	\$10,000,000	developer reimbursed	Y		
Citywide Floodplain Improvements	\$10,000,000	developer reimbursed			Y
<b>Storm Subtotal =</b>	<b>\$20,000,000</b>				
<b>Total</b>	<b>\$275,000,000</b>				

# MEMORANDUM

*Department of Financial Services*

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**To:** Honorable Mayor and City Council  
**Through:** Tom Williams, City Manager  
**From:** Emma C. Karlen, Director of Financial Services  
**Subject:** City Council's Requests – Business License Formula  
**Date:** May 8, 2007

Staff reviewed the business license tax revenues of 10 other neighboring cities and noted that the City of Milpitas' business license tax per capita ranked the third lowest among all the cities surveyed. Business license tax could be assessed using three different methodologies: based on gross receipts of the business, based on square footage of the business, or based on the number of employees. In general, with the exception of the City of San Jose, the business license tax formula that is based on the number of employees yields the lowest revenue per capita. Staff attached the Business License Tax per capita and methodology of the 10 neighboring cities for your reference.

For most businesses in Milpitas, the business license tax is calculated as follows: \$35 flat plus \$5 per employee for the first 10 employees, \$1 per employee for the next 90, and \$0.25 per employee beyond the first 100 employees. For example, for a business that has 1,020 employees, the business license tax will be calculated as follows:

Flat Tax	\$ 35.00
First 10 employees	50.00
Next 90 employees	90.00
Next 920 employees	<u>230.00</u>
Total	\$405.00

# BUSINESS LICENSE TAXES

2003-04

CITY	Business License Taxes	Per Capita	METHODOLOGY
Milpitas	\$272,269	\$4.21	Annual business taxes are a \$35 Flat tax plus \$5 per employee for first 10 and \$1 per employee for the next 90.
City of Santa Clara	\$798,871	\$7.45	Annual business taxes vary from \$15 to \$500 based on the number of employees and types of businesses.
Mountain View	\$216,068	\$3.02	Business taxes range from \$30 to \$100 annually based on the type of business and number of employees.
Palo Alto	\$0	\$0	The City of Palo Alto does not issue business licenses and businesses do not pay business taxes to conduct business in the city.
Sunnyvale	\$244,286	\$1.85	Annual business taxes range from \$20 to \$4,700 based on the type of business and number of employees. Effective 7/1/06, businesses have to pay \$55 processing fee for new applications or \$23 for renewals.
San Jose	\$37,776,270	\$40.78	Annual business taxes are from \$150 for businesses with up to 8 employees (including owners) plus \$18 per person for over 8 owners and employees.
Fremont	\$4,971,404	\$23.78	Businesses taxes include \$30 annual registration fee plus \$0.30 for each \$1,000 of gross receipts.
Cupertino	\$556,697	\$10.58	Business taxes are \$75 basic tax plus a fee based on square footage (1,500 square feet x \$0.02924 per sq ft = \$43.86)
Campbell	\$203,520	\$5.33	Fees vary according to the type of business and number of employees. For example, a commercial business with 1 to 5 employees pays \$35 annually; 6 to 10 employees, \$52; 11 to 15 employees, \$70; and 16 or more employees, \$87. In addition to the Business License fee, there is a \$25 processing fee for new businesses and a \$15 processing fee for renewals.
Los Gatos	\$1,071,865	\$37.28	Businesses which are based on retail sales, wholesale, manufacturing and/or jobbing pay business taxes on a sliding scale based on annual gross receipts. For example, a manufacturing business with gross receipts of less than \$200,000 pays \$150 in annual business taxes, while a manufacturing business with gross receipts between \$11,500,000 and \$12,000,000 pays \$4,837.50 in annual business taxes. Business Exemption Request Applications are charged a \$25 processing fee.
Morgan Hill	\$181,708	\$5.12	Businesses pay a base tax rate of \$20 plus \$6 per full-time employee after the first two. One-time fees charged for processing a business license application include an application review fee of \$49 and a zoning permit fee of \$57.
Gilroy	\$557,008	\$12.06	Business taxes vary from \$50 to \$150 according to the type of business. For example, a contractor pays \$150 in annual business tax. In addition, processing fees are charged to new or moved businesses, ranging from \$70 (for home occupation) to \$465 (for regulated businesses).

Source: City websites  
California State Controller, Cities Annual Reports

# MEMORANDUM

## Parks & Recreation Services Department



**To:** Honorable Mayor and City Council  
**Through:** Tom Williams, City Manager  
**From:** Bonnie Greiner, Parks & Recreation Services Director  
**By:** Kathleen Yurchak, Recreation Services Supervisor  
**Subject:** **Preschool Questionnaire Results & 2007/2008 Program Recommendations**  
**Date:** April 18, 2007

### **Background**

Per the City Council's discussion and direction at the February 27, 2007, Budget Work Session, staff created and distributed a Preschool Questionnaire to the current Preschool parents to obtain their feedback as to what type of preschool program they would like the City of Milpitas to offer during the 2007/2008 school year for children ages 3 to 5. Out of the 120 Questionnaires mailed, 45 were returned. Listed below are the results of the Questionnaire.

**1. What Preschool class is your child currently enrolled in?**

Animal Crackers = 20      KinderKids = 25

**2. Would you continue with the current program and curriculum of Kindergarten Preparedness if the cost would increase to \$15.00 to \$17.00 per hour?**

Yes = 18      No = 25

**3. Would you prefer a Daycare/Play Based program over a Kindergarten Preparedness program to keep the cost as low as possible at \$5.50 to \$7.50 per hour?**

Yes = 17      No = 27

**4. Would you be willing to pay a one time \$100 Registration Fee to lower your monthly fee? (Program Deposit )**

Yes = 32      No = 11      No Answer = 1

**5. What elements are important to you in a preschool program? (Synopsis of responses)**

Socialization, kindergarten preparation (alphabet, numbers, reading), cost, curriculum, quality teachers

**6. Why did you select the City of Milpitas Preschool program? (Choose all that apply)**

Cost = 40      Curriculum = 16      Convenience = 32      Past Participation = 13      Other = 7

**7. How did you hear about the City of Milpitas program?**

Activity Guide = 24      City Website = 3      Flyer = 2      A friend/relative = 22      Other = 4

To summarize the Questionnaire results, the most important elements of a preschool program is to keep the cost low and a convenient location, followed by kindergarten preparation, socialization, a curriculum that consists of a basic understanding of the alphabet, numbers, reading, and having quality teachers; however, not if the cost of the program is increased. The respondents were also willing to pay a one-time \$100 registration fee, to be used as a non-refundable deposit to reserve their child's registration in the program. The results support the curriculum, structure and goals of the current City of Milpitas Preschool Program.

### **Recommendation**

Based on the Questionnaire results, staff is recommending continuing to offer the same preschool program format as the past thirteen years, with routine adjustments to the structure of the program.

The Proposed budget for the 2007/2008 Preschool Program is \$210,814. \$195,564 is budgeted for full-time and part-time salaries and \$15,250 is budgeted for services and supplies.

The City of Milpitas Preschool program would begin September 10, 2007 and end May 22, 2008. The proposed program schedule is shorter than last fiscal year to accommodate the PER's 1000 hour limit in addition to following other preschools program schedules in Milpitas. The current class format would continue with Animal Crackers for 3.5 year olds and KinderKids for 4 to 5 year olds, Monday through Thursday, with both morning and afternoon classes, accommodating up to 128 participants

It is recommended that the hourly fee increase from \$5.50 to \$6.50 to maintain a low cost program, generating \$161,232 in revenue and implement a \$100 Registration Fee, based on the Questionnaire results, generating \$12,800 in revenue. The anticipated total revenue is \$147,032. Priority Registration for the currently enrolled Animal Crackers participants would take place on May 15 & 16, 2007, with Resident Registration taking place on June 7, 2007 and Non-resident registration beginning on June 21, 2007.

Human Resources will continue with the recruitment of Preschool Teachers and Aides in an effort to recruit qualified teachers and aides, to meet our 1-teacher to 10-student ratio, five teachers and five aides are required to run a safe and nurturing program. Should staffing requirements not be met by July 27, 2007, staff will return to City Council in August to receive direction for the 2007/2008 Preschool Program.



**THE PROPOSED BUDGET FOR  
FISCAL YEAR 2007 – 2008 IS  
AVAILABLE FOR VIEWING AT THE  
CITY HALL's INFORMATION DESK  
AND AT THE LIBRARY**